

YESTERDAY'S WEATHER
H. W. WEATHER BUREAU
Dec. 20, 1917—Last twenty-four hours: rainfall, .03; Temp., 68; Max. 78; Weather, partly cloudy.

Hawaiian Gazette

LATEST CABLED SUGAR QUOTATIONS
Cents Dollars
No. 1 Centrifugal N. Y. per lb. per ton
Price, Hawaiian basis... 5.92 \$118.40
Low previous quote...
Mon. 6.78 \$134.40

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HONOLULU, HAWAII TERRITORY, FRIDAY, DECEMBER 21, 1917. —SEMI-WEEKLY.

WHOLE NUMBER 4697

INTRIGUED TO MAKE ENEMIES FOR AMERICA AMONG LATINS

Zimmerman and Luxburg Attempted to Induce Argentine to Secure Secret Treaty With Neighbors Against United States

LANSING PUBLISHES A BATCH OF MESSAGES

Double Dealing of Hun Diplomats Made Plain and Attempts to Bluff Recognition of War Zone Are Disclosed

WASHINGTON, December 21—(Associated Press)—How the German foreign office and the German diplomats in South America intrigued to unite the more important South American countries in hostility to the United States and how the President of Argentina, Hipolito Yrigoyen, succumbed to the flattery of Count von Luxburg, are disclosed in a series of forty messages which passed between Doctor Zimmerman, the then foreign minister of Germany, and the German minister at Buenos Aires, which were made public by the state department yesterday.

The messages revealed how Count von Luxburg induced President Yrigoyen to seek to bring about a secret agreement between Argentina, Chile and Bolivia, a "mutual rapprochement for protection against North America." The German minister informed his foreign minister in the same despatch that he was doing everything possible to bring Peru also into the anti-American agreement.

FLATTERY TO HELP

The correspondence published deals largely with the efforts made to prevent a rupture of relations between the Argentine and Germany, while throughout the instructions sent to von Luxburg were repeated orders for all the Germans in the Argentine to flatter the Argentines and their government officials, and to help in this way to retain the friendship of the Republic.

Plenty of evidence of the pliability of President Yrigoyen to the suggestions and the flattery of von Luxburg is disclosed. It is shown that the President repeatedly blocked the pro-Entente efforts of his foreign secretary, Puerreydon, and the insistence of the latter that the rights of Argentina upon the high seas be respected.

The statement containing these disclosed messages which was sent by Secretary Lansing yesterday to the American minister to the Argentine, for publication in Buenos Aires, contained also three messages not made public here as they deal solely with the relations between Argentina and Chile and Uruguay and their publication might be embarrassing to the three governments concerned.

BANKING ON CHILE

The last message of Count von Luxburg to Minister Zimmerman, dated July 19, 1917, refers to the growing sentiment in Argentina against Germany and to the probability of a break, concluding with these words:

"As long as Chile remains neu-

BRITISH LABOR MUST NOW FIGHT

Exemption Pledges Given a Year Ago Will Have to be Amended To Meet New Exigencies of Warfare

LONDON, December 21—(Associated Press)—Pledges given to British labor for exemption from actual military service will have to be materially amended, Premier Lloyd George announced to the house of commons yesterday in the course of a speech during which he reviewed the war and present military conditions.

Owing to the exigencies of the situation, the new demands that have been made of the Allies by reason of the Russian collapse and armistice, enabling large withdrawals of German and Austrian troops from the Russian front, the reverses which were suffered by Italy and other recent events, men who have been severely wounded are now forced to go back into the lines too early, before they have fully recovered from their wounds and regained their strength. Under such circumstances, the premier said, there is nothing else to do but to amend the pledges of exemption which were given to laborers in 1916.

GERMAN LABOR LESS EFFICIENT

German workers, Lloyd George said are only two thirds as efficient as they were the first year of the war. This is occasioned in part by the blockade and the pressing need of food and in part by the greater withdrawals from the ranks of labor to the ranks of the army.

In the course of his speech he set the stamp of his approval to statements recently made that the German submarine campaign is being defeated. He declared that the margin of losses at sea by the U-boat campaign over the new tonnage placed into operation by the Allies is growing less and less—that Germany's hope of driving the merchant ships from the sea is doomed to defeat.

ALLIES SINK MORE SUBMARINES

He said that the Allies are sinking more and more of the enemy submarines and that the building of ships is going faster and faster.

Turning to the land situation, he said that it is idle for the Allies to pretend that all of their hopes for success of the troops have been realized. He said that failure to realize these hopes is largely due to the collapse of Russia as one of the Allies.

Germany will be able, after the war, to continue and carry out her South American policy just as well, if not more easily in opposition to this infuriated and misguided Argentina, than if Argentina remained on our side.

BLUFFED TO THE LAST

Germany's final bid for peace with the Argentine, which came too late, was sent to Count von Luxburg by Zimmerman on July 24. This was in response to the ultimatum forwarded by Luxburg by the Argentine foreign office, demanding guarantees that the Argentine flag would be respected by the German naval commanders. It was this ultimatum which was accompanied by Luxburg's suggestion that the ships then en route be spared, if this were possible, and that otherwise they be sunk "leaving no trace."

The German minister's reply was to Luxburg himself and not to the Argentine foreign minister and it authorized the former to pledge German respect for the Argentine flag if no better arrangement could be made. Such an arrangement was suggested.

WANT ZONE RECOGNIZED

"Your proposal is agreed to," cabled Zimmerman, referring to the matter of permitting the ships en route to pass safely through the blockade, "if the Argentine government will accept our assurances in the following form: Germany will agree to allow six ships of moderate size under the Argentine flag to pass in safety through the blockade and to return in safety while on their present voyage, provided they are not conveyed by warships of the Entente. Instructions are being issued through the minister of the navy accordingly."

"It is not absolutely certain that these instructions can be formulated and despatched to our naval commanders at once, nor that they can be given in time. However, we will agree to pay compensation in cash in case any of the ships are sunk, as we will admit that the ships are constitutionally safe and immune from attack."

"In return, Argentina must promise that in the future her ships will keep away from the blockaded area. Outside that area, Argentine ships will be safe provided they do not carry contraband or undertake any enterprises hostile to us."

"I authorize you to sign a pro-

(Continued on Page 2, Column 1)

T. K. K. WILL BUILD TWELVE NEW SHIPS

Announcement Made in Tokio Indicates Arrangement To Secure Steel From States

TOKIO, December 20—(Special to Hawaii Shippo)—Announcement was made today by the Toyo Kisen Kaisha that it had determined to construct twelve new steamships and was making arrangements to proceed with such plans immediately.

This announcement would indicate that some arrangement has been reached between the governments of the United States and Japan relative to lifting the embargo on steel for ship construction either entirely or in special instances where the shipping would be made available for United States commerce and for commerce with the United States. It is deemed improbable that the company would make this announcement unless it felt certain that it was in a position to proceed, which would not be the case if the embargo remains unbroken.

Last announcements from Washington told of the breaking off of negotiations by Japan on the plea that it was impossible for the Japanese to yield to the demand of the United States in transference of ships without too great a sacrifice to its commerce and commercial relations with others. At that time Washington officials were reported to have said they still felt confident that an agreement would be reached and that negotiations would probably be reopened in the near future.

It is believed that some of these ships would surely go on the Honolulu run.

MILITARY AFFAIRS BEING INVESTIGATED

WASHINGTON, December 21—(Associated Press)—The senate committee on military affairs yesterday virtually completed its investigation of the alleged shortage in ordnance for the army and today will begin its investigation of the clothing supply and matters relating to transportation of this and other military supplies to meet the needs of the men in the training camps and in France.

Quartermaster General Sharpe will be called before the committee and it is expected that he will be heard today.

Contracts for the army cantonnements, their location and their sanitary conditions will afterward be taken up in order.

The messages from Melbourne announcing the uncompleted count state that the government has been defeated in its conscription policy by a majority of one hundred and twenty thousand. Labor unionists, against whom the government has been acting strictly, and the L. W. W. workers have been actively opposing conscription, while a large part of the vote of the women is believed to have been cast against compulsory service.

SUBS GET ONLY ITALIAN SAILING SHIPS

ROME, December 21—(Associated Press)—The Italian losses from German and Austrian submarines during the last week were confined to three sailing ships, two over one hundred tons and one under that mark. One steamer was damaged by a mine, but managed to make port safely.

KAISER'S TERMS OF PEACE WOULD NOT MEET ALLIES' PLAN

Purported Outline Received in Washington Unsatisfactory To Great Britain

TEUTONS WOULD MAKE USE OF BOLSHEVIKI OFFER

Germany Plans To Make Use of Russia So Far As May Be Possible Indicated

WASHINGTON, December 21—(Associated Press)—What purports to be terms of peace to be proposed by Germany about Christmas time have been received here from official sources. It is also learned that Germany is preparing to take advantage of the Bolshevik peace offering by offering these terms as a counter proposal.

The terms which Germany will offer are said to include the following:

1. The disposition of Alsace-Lorraine is to be left to a vote by plebiscite of the inhabitants of the two districts.

2. Great Britain is to pay for the German colonies which have been taken from Germany in Africa by conquest since the war began.

3. The money which Britain pays to Germany to be used to rehabilitate Belgium, Serbia, Rumania and Northern France—those districts which have been in possession of Germany and Austria.

4. Russian provinces along the Baltic, the Black Sea and Prussia are to be independent.

5. Poland is to be independent, under Austrian suzerainty.

6. The boundaries of Rumania, Montenegro and Serbia are not to be altered.

7. Turkey is to be left intact.

8. The issues of disarmament, freedom of the seas and commerce are to be left for disposition to the peace conference.

Beliefs Not Satisfied

Premier Lloyd George, speaking in the house of commons in London clearly indicated these terms would be unsatisfactory to Great Britain when in speaking of war aims he said that the British government will demand and exact full retribution from Germany and a complete restoration of all territory damaged or lost by the Central Powers with compensation for all damages occasioned to this territory. To Use Bolshevi-Viki

Germany is planning to secure assistance of the Bolshevi-Viki government in the forthcoming proposal for a general peace, according to statements in the press here. It is declared that representatives of the Central Powers have told the Russian peace commissioners at the preliminary armistice conference that they intended to propose peace to the Allies and have asked Russia to take similar steps. It is declared also that the Bolshevi-Viki government is complying with this request.

The negotiations between the Bolshevi-Viki government and the German government to bring about peace are deemed an important aspect. Foreign Minister von Kuechmann of Germany and Czernin of Austria-Hungary are en route to the scene of the conference with their suites, and it is reported that the main reichstag committee has been summoned to Berlin in connection with the peace moves.

General Krylenko, the Bolshevi-Viki commander, has been enabled to withdraw troops from the Russo-Teuton front in order to meet the sweeping part of the southern country with his Cosacks.

AUSTRALIA AGAIN DEFEATS CONSCRIPTION

By Large Majority, Union Men Defeat Government

VANCOUVER, December 21—(Associated Press)—The second attempt to secure the authorization of the voters of the Australian Commonwealth to the enforcement of a conscription policy has been overwhelmingly defeated, according to the early returns of the plebiscite held yesterday.

The messages from Melbourne announcing the uncompleted count state that the government has been defeated in its conscription policy by a majority of one hundred and twenty thousand. Labor unionists, against whom the government has been acting strictly, and the L. W. W. workers have been actively opposing conscription, while a large part of the vote of the women is believed to have been cast against compulsory service.

GRANZOW WILL BE TRIED ON COAST

SAN FRANCISCO, December 21—(Associated Press)—Captain Granzow of the schooner Churchill, which he is charged with having deliberately wrecked, has appealed from the decision of the United States commissioner holding him for investigation by a grand jury. His appeal will be heard on January 21. In the meanwhile, states District Attorney Preston, Granzow will probably be reintroduced in order to remove any flaws that may be found in the present indictment, and will be held for trial in San Francisco, not Honolulu. He is now being held on bail for \$1500.

ITALIANS PUSH HARD COUNTERS

Latin and Allied Forces Hold Own and Teuton Small Gains Do Not Warrant Great Costs

WASHINGTON, December 21—(Associated Press)—Exerting every energy and employing immense forces, heavily manned against their objective, the head of the San Lorenzo Valley to force a way through to the Venetian plains where winter quarters might be established and preparations completed for the hoped for advance upon Venice, the Austro-German forces are making but small headway and their position in the mountain passes is becoming more difficult.

Not only are the Italians and their Allied reinforcements holding their own on this front but they are aiming counters against the enemy. Official reports issued in Berlin last night said that repeated counter attacks launched by the Italians against Austro-German positions at Monte Pertica had been repulsed. This report claimed that in the fighting since December 11 in the Piave and Brenta sectors 9000 Italians had been made prisoners.

SMALL SUCCESSES COSTLY

In the face of the tremendous losses which it is known that the Teutons have suffered, estimated to run far over a hundred thousand men in killed and wounded in that time the cost to the Austro-Germans has evidently been far above anything which they have been able to achieve.

On the Western Front the lull in infantry fighting continued but the artillery duels and raids and counter raids were again in evidence.

On all of the fronts British casualties last week amounted to 17,970. Of these there were 331 officers killed and 1039 wounded and 3181 enlisted men killed and 13,425 wounded.

KERENSKY REPORTED NEAR MOSCOW

In Russia an army under Kerensky marching upon Moscow and a strong Royalist army gathered in the Caucasus were reported in despatches from Petrograd which reached London.

Reappearance of Kerensky, if the report be authentic, backed by a loyal force may prove a serious blow to German peace pact plans of the Bolshevi-Viki.

NEW ROYALIST ARMY APPEARS

The Royalist army in the Caucasus is reported to have been gathered by Grand Duke Nicholas and to be a strong and well organized body.

Gen. Granzow, at the head of a large army of Cosacks, is now actively opposing the Bolshevi-Viki forces and has occupied the important town of Telesbush, a trans-Siberian railway junction.

It is reported that the Russian troops are preparing to evacuate Poland.

Reports from American headquarters in France said that Russian officers who had been fighting with Russian forces there were offering on mass to enlist in the American armies.

OPPOSES LIMIT ON USING OF SUGAR

WASHINGTON, December 21—(Associated Press)—Investigation of the sugar shortage by the senate committee was not completed yesterday as members of the committee had hoped it would be so that they could proceed with the second branch of their investigation, the coal shortage. The testimony given yesterday was of much interest and importance and opened up a new angle to the sugar situation.

This was brought about by President Babst of the American Sugar Refining Company when he gave his explanation of the causes of the shortage.

Opposes Limit

Babst opposed the placing of a limit upon domestic consumption of sugar and declared that in his belief it was unnecessary. He contended that there would be a larger surplus than would be needed to be sent abroad, and very likely a larger surplus than there would be ships available to carry. He predicted that there would be a plentiful supply of sugar during the coming year.

Explains Shortage

Asked to explain the recent shortage Babst said that there were several reasons for it. Primarily it was caused by "famine stories" which led to the hoarding of considerable quantities. The strikes in the refineries, fomented by the L. W. W., also was a factor. To these he added that Great Britain had drawn from Cuba 300,000 tons of raw sugar which would have normally gone to the United States. The canning campaign inaugurated by the food administration occasioned a far larger consumption than usual, he declared.

Refers Testimony

George M. Rolph, chairman of the national sugar commission, was next called before the commission. He said that the fixing of a price of seven and a quarter cents for beet sugar and bringing the refiners to meet that price with cane sugar was necessary. If this had not been done, he declared beet sugar would now be selling from twenty to twenty-five cents a pound where available. Beet sugar prices had been so arranged to stop the mounting of the price of cane sugar, he testified.

It is expected that Food Administrator Hoover will be heard by the committee today and that this may close that branch of its investigation.

THIRTY-EIGHT ARE KILLED IN CRASH

Fast Passenger Train Makes Kindling Wood of Cars of Local Near Louisville

LOUISVILLE, Kentucky, December 21—(Associated Press)—Thirty-eight are known to have lost their lives and thirty-nine to have been seriously injured, some fatally, in a railroad wreck which occurred near Shepherdsville last night.

Running at a high rate of speed the fast passenger train of the Louisville & Nashville Railroad crashed into the rear of an accommodation train. The wooden coaches of the accommodation train crumpled up like so much cardboard and under this mass of splintered wood were buried the dead and the injured.

Relief trains were sent from this city as quickly as a force of physicians and attendants could be gathered.

WILL GUARD PIERS IN SAN FRANCISCO

Private Guards Will Be Employed and Keep Intruders Back Hundred Yards

SAN FRANCISCO, December 21—(Associated Press)—Federal authorities and representatives of the shipping interests conferred yesterday regarding the admittedly serious matter of protection of the waterfront and shipping. It was finally decided that private guards should be employed, just as has been done in New York City and other Eastern ports. The requisite military for such guards was not available there and officials maintained that in San Francisco and Pacific Coast ports the same situation prevailed.

Using private guards, engaged by the shippers and duly examined as to loyalty and sworn in will be stationed along the entire waterfront where shipping is carried on and will keep a cordon a hundred yards back. Through this cordon none shall pass unless duly authorized to do so and properly authenticated.

RODIEK TAKES STAND GIVING TESTIMONY AS TO MAVERICK

Former German Consul in Honolulu Becomes Witness For Prosecution and Will Be Permitted To Make Statement To Jury

NAMES OF TWO CAPTAINS GIVEN IN HIS TESTIMONY

Secret German Agent "Number 17" Transferred Money For Provisioning of Ship From San Francisco Consulate

SAN FRANCISCO, December 21—(Associated Press)—Georg Rodiek, former German consul in Honolulu was the chief witness for the prosecution yesterday in the trial of the India revolution conspiracy case. His testimony dealt chiefly with the visit of the Maverick to Hilo, Hawaii.

Before putting Rodiek on the witness stand yesterday afternoon United States Attorney Preston said Rodiek had asked permission to make a statement to the jury and that this request had been granted by the prosecution on condition that Rodiek would give testimony in the case. This he had agreed to do and the statement which he desired presented to the jury would be made in the course of his testimony.

RODIEK TESTIFIES

After being sworn Rodiek was seated and, in answer to questions, told of the visit of the Maverick to Hilo, where it was expected that she would be provisioned for the trip to Johnston Island. At that point, witness said, it was expected that the Maverick would meet the Annie Larsen and take on a cargo of arms and ammunition from her, thence proceeding on to Batavia. At that time, witness declared, he had no knowledge that the Maverick was employed in the business of the alleged conspiracy to foment a revolution in India.

OTHERS INVOLVED

Witness testified that Heinrich Elbo, captain of the German ship Holsatia and Edwin Deinat, captain of the German ship J. H. Ahlers, both of which vessels were then interned in Honolulu, acted to prevent the provisioning of the Maverick outside the three-mile limit. He added that he believed that neither Elbo nor Deinat, both of whom are defendants in the conspiracy case, were cognizant of the fact that there was a conspiracy on foot.

SECRET AGENT

Asked as to where the money for the provisioning of the Maverick came from witness testified that it was transmitted to Honolulu by German secret agent "Number 17" who transferred the money from the German consulate at San Francisco to Honolulu. Rodiek will be called upon for further testimony as he did not conclude yesterday.

H. A. Schroeder, who succeeded Rodiek as German representative in Honolulu will also testify for the prosecution, it was announced by United States Attorney Preston.

BRITISH CASUALTIES CONTINUE HEAVY

LONDON, December 21—(Associated Press)—British casualties on all fronts for the week ending Tuesday totalled nearly eighteen thousand. Of course, 331 are reported killed or died of wounds, and 1039 are posted as wounded or missing. Of men, 3161 were killed, and 13,425 are wounded or missing.